



## Lesson 7

# Organizational Assessments

### Introduction

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The importance of assessments cannot be emphasized enough. Assessments are an integral part of the TQL phase-one implementation effort, because **assessments provide data for planning organizational change**. Assessments should be conducted on the internal and external environment of the organization. The ESC uses the data from assessments to monitor organizational functioning, focus initial efforts, plan for change, assess progress, and make course corrections.

### Objectives

Upon completion of this lesson, the student will be able to:

- **Describe the purpose of conducting an assessment;**
- **Describe the different assessment methods;**
- **Describe the use of specific internal and external assessment tools; and**
- **Describe the roles and responsibilities of the ESC and the TQL coordinator in assessment.**

***“The point is that management must recognize the old culture and how it might impede the new strategy. This is why a thorough assessment of the existing organizational culture is so important.***

Bounds, Yorks, Adams and Ranney

# Organizational Assessment

**An organizational assessment is a systematic method of measuring aspects of an organization and its environment.** All organizational assessments have one thing in common; they all involve data. This data provides leaders with an indication of organizational capability, resources, strengths, and weaknesses, as well as information on the opportunities and threats posed by the external environment. The data from assessments can be used for purposes as narrow as making everyday decisions, or as broad as helping determine the strategic direction of the organization.

Although assessments are a valuable leadership tool, they are not always used. Leaders take pride in “knowing their organizations,” and may feel that their leadership skills and closeness to their personnel are being questioned. Unfortunately, leaders cannot always know how well their units/organizations are doing. Problems may not be readily evident, there may be reluctance to discuss issues due to fear. **Assessments are not intended to replace leader knowledge, but are designed to *increase* leader knowledge.** The data from assessments, in conjunction with other leader knowledge, can be a powerful tool. Leaders should use data from assessments to make course corrections, assess progress, and monitor organizational functioning.

Assessment is an ongoing, continuous requirement for quality progress. While there is no set interval for conducting assessments, it is recommended that they be conducted yearly. This annual assessment of the organization should be part of an organization’s planning effort.

## Why Do An Assessment?

- **To establish a baseline**

An assessment of the organization should be administered once the top leaders have committed to change. Assessments can be thought of as a “snapshot” of the organization at a specific point in time. This “snapshot” provides baseline data on the current state of the organization. Change evolves over time; having baseline data allows leaders to track change and assess progress. It is this baseline data that provides the comparison to data collected downstream in the TQL implementation effort. The ESC must learn to listen to what their systems are telling them, and make decisions based on the data provided.

- **To assess progress**

Internal assessments should be administered at regular intervals. The data from these assessments provides information on changes that have taken place as a result of the TQL implementation efforts. The re-assessment of the organization is a means of assessing progress, and of diagnosing additional areas to be worked on. Knowing what the strengths and weaknesses are will help the ESC make appropriate system changes and focus resources where the most positive effect can be felt.

- **To determine customer requirements**

The organization's goals should focus on meeting and exceeding external customer requirements. In order to develop appropriate plans for achieving these results, organizational leaders must gather information on customer needs. This may be accomplished by assessing the degree to which customers are satisfied with the organization's products and services. Information on how to determine customer requirements is introduced in this lesson; more detailed instructions may be found in the *Methods for Managing Quality* course.

- **To provide guidance on where to focus efforts**

Using data as the basis for planning and decision making is a fundamental principle of TQL. The knowledge provided by the assessment is essential to leaders as they discuss how best to close the gap to the future. Management needs data from all levels and functions on system capability, and on how and why the system operates as it does. Without this current frame of reference, management may make decisions based on wishes, hopes, or dreams.

- **To enhance organizational communication**

As a communication tool, an assessment provides an avenue for employees to voice their opinions and concerns. **Organizations tend to be proficient in top-down communications, but seldom is there a reverse flow.** An assessment provides a vehicle for communicating information that is of a more sensitive or confidential nature. This information, which may consist of people's values, attitudes, and opinions, may be more easily communicated to management in this type of format.

## **Choosing an Assessment Method**

How does the TQL coordinator assist the leaders in choosing an assessment method? The following questions will guide the TQL coordinator and the ESC in choosing the best method of assessment:

- **What questions should the assessment answer?**

First, the purpose should be examined. What question should the assessment answer? Can this question be best answered by examining records or administering a survey? The answer should guide the choice of assessment tool.

- **How much money can be spent?**

Some methods are less expensive than others. For example, observation of behavior may be rather expensive if it requires several observers over a long period of time. Also, some assessment tools require *payment for services* as opposed to self-administered formats which usually cost nothing.

- **What are the time constraints?**

Ask what the time constraints are. Is the information needed immediately? If so, interviews may need to be conducted immediately. Or, if the information will be needed in a month, the option of using a survey is an alternative.

- **What expertise is available?**

Ask what assessment skills your personnel possess. Examining records and reports and observing behavior are relatively simple, but will require training. Interviewing is more complex and is best accomplished by a trained interviewer. Surveys are less complex and usually require only the distribution of forms and receiving information.

## **Internal and External Assessments**

- **Internal environment: Strengths and Weaknesses**

An assessment of the internal environment focuses on the organization's people, processes, tools, and performance to ascertain organizational strengths and weaknesses. It provides an indication of the organization's capability. Internally focused assessments provide leaders with insight on how the people in the organization think and feel about issues related to their organization, their work, and their co-workers.

In determining readiness to change, the ESC needs to look at the organization's strengths and weaknesses. They need to be aware of the degree of congruence between organizational systems and TQL requirements. Knowing what the strengths and weaknesses are will help the ESC make appropriate system changes and focus efforts and resources to areas where the most positive effect can be felt.

- **External environment: Opportunities and Threats**

An assessment of the external environment focuses on factors external to the organization, such as customers, suppliers, technology, market segments, and social and political trends to ascertain potential opportunities and threats that may impact its mission.

These external factors are usually outside of the organization's span of control. The key is to recognize potential effects on the organization, and plan for seizing opportunities, and lessening threats. It is important for organizational leaders to know what can be controlled and changed directly by the organization, and to accept responsibility for influencing external systems to bring about needed changes.

## Internal Assessment Methods

There are a number of methods for measuring areas of interest to the organization. These include, but are not limited to, examining existing records and reports, the observation of behavior, individual and group interviews, and surveys.

- **Examine records and reports**

Many records are kept at every organization. For example, personnel files include information individual performance on the job, including awards and disciplinary actions. Production records contain information about how many forms are processed, how many parts are purchased, or some other factor associated with productivity. These records can be very useful, they provide a relatively objective record of what goes on in an organization. **Information from records is useful, but the organization must always ask why things happen.**

- **Observe behavior**

Observation of behavior allows for a more objective estimate of what really happens, by simply watching what people are doing, others can discover what activities are performed every day (or hour). There are three drawbacks to observation of behavior. First, it is time consuming. It may be necessary to observe behavior for a long period of time in order to answer the questions. Second, **it doesn't tell you why people are behaving as they are.** Knowing how people behave, without knowing why they behave that way, may be rather meaningless. Third, if people are aware of someone standing around watching them, they will become uneasy and may not perform naturally. The team must know the observer's purpose.

- **Interview individuals and groups**

Interviews are a very useful method of assessment. The major advantage is that a lot of information can be gathered by asking open-ended questions. For example, if the leader wishes to know if there is trust in the organization, scenarios and questions could be used to assess this issue. A disadvantage of interviews is that they are time consuming. If an organization is large, it may be impossible to interview everyone, either individually or as a group, because the time requirement would be prohibitive.

A caution should be noted with interviews. **If an interview is used, it must be structured.** The interviewer must have a standard list of questions that will be asked of all interviewees in order to ensure that all necessary topics are covered. (Without a standardized list, interviews can quickly turn into "gossip sessions.")

- **Conduct surveys**

Surveys are a widely used assessment method. In fact, they are such a popular method of data collection that the term "survey" is often used interchangeably with the word "assessment".

## **Advantages of Surveys**

Surveys have advantages over other methods in that they are relatively inexpensive to use, can be completed quickly, may be administered to large groups of people in one sitting, may be administered using computers, or paper and pencil, and are amenable to statistical analysis. Computer versions not only increase speed and efficiency, but result in fewer errors, faster data analysis, and enhanced user satisfaction.

Surveys can be replicated to detect changes over time. The data can be analyzed by subgroup to determine how a particular group feels about specific issues. Groups can be compared to other groups, to determine similarities and differences in opinion within an organization. Because surveys are filled out in private, they have the potential for being confidential. To receive candid responses, the employee must be assured of anonymity.

## **Disadvantages of Surveys**

Surveys, like other assessment instruments, do have some limitations. While the standardized format has advantages, it does not allow for generation of new ideas by the respondents. In addition, some surveys require a relatively high reading level. Lastly, although surveys are usually inexpensive, the user must be aware of potential hidden costs. For example, a survey form may cost less than \$.50 a copy; however, professional analysis of the results may cost hundreds (or thousands) of dollars.

## **Internal Assessment Instruments**

Although the Quality and Productivity Self-Assessment Guide for Defense Organizations is an assessment tool developed for use in defense organizations, several have been developed specifically for use by the DoN. These include the Total Quality Implementation Survey (TQIS), and the Performance Assessment and Results - 4 (PAR-4).

### **DoD Performance Assessment Guide 3.0**

This guide contains three stand alone modules that work together to help:

- (1) Benchmark the organization's quality climate and quality management strengths and weaknesses.
- (2) Track the organization's performance over time.
- (3) Track what the organization's customers think about the service they receive.

## **The Quality and Productivity Self-Assessment Guide**

This guide provides an easy way to benchmark an organization's quality climate and quality management strengths and weaknesses. The survey is based on a validated model measuring organizational quality climate, processes tools, outcomes and results. Results can also be presented based on the Malcolm Baldrige National Quality Award categories and items.

The guide obtains information from the individuals who know the organization best--its people! The ESC decides the administration procedures that are best for the organization, collects the survey responses, and receives comprehensive evaluation reports generated by software.

The guide reports:

- Zero in on the organization's quality-related strengths and weaknesses.
- Provide current performance benchmarks that can be tracked over time to check on improvement.
- Help set specific goals to move the organization toward quality excellence.
- Give detailed results that can be reported within certain examination categories/items if applying for the Malcom Baldrige Award.

## **The Guide for Developing Performance Measurements**

This module offers an easy way to track organizational performance over time. The software provides sample performance measures that others have found useful. Leaders can use the sample measures as an idea source for measures to create for their organization. The guide can be used to:

- Select Performance measures from a master list.
- Create a set of performance measures.
- Quickly enter data to measure performance.
- View the results graphically.
- Receive a printout of performance measures.

## **The Guide for Measuring Customer Satisfaction**

The software provides a sample survey and questions to track what customers think about the service they receive. The sample can be used as an idea source for generating questions for a command's own survey. It can be used to:

- Create customer surveys.
- Print and duplicate the sample customer survey.
- Quickly enter survey results.
- View the results graphically.
- Printout the survey results.

For additional information about the Self-Assessment Guide, or for a copy, you may fax a request to :

**HQ DLA  
Attn: Publications Distribution  
(DASC-VC), Suite 1560  
8725 John J. Kingman Road  
Ft. Belvoir, Va. 22060**

POC: Mr. Charles Pulley, (703) 767-1272 or DSN 427-1272  
Fax: (703) 767-5078 or DSN 427-5078

## **Total Quality Implementation Survey (TQIS)**

TQIS is an **internally administered and analyzed** survey designed **to aid a new CO and the command's ESC**. TQIS is based on DoN TQL principles and concepts.

- **TQIS objectives**

To orient a new CO and ESC on the level of TQL activities in organization and to help the CO and ESC target specific TQL activities for the future.

- **Areas of concentration**

While TQL implementation must be adapted to each organization, there are important activities that the CO and ESC should address. To accomplish this, TQIS surveys the ESC's perceptions of key TQL transformation activities in the following broad areas: **Leadership, TQL team structure, Strategic planning, Team dynamics, Customer focus, Education and training, Supplier relationships, and Use of qualitative tools**

ESC members are asked to rate the level of TQL implementation on one or more questions in each of the above categories on a scale ranging from 1 (no TQL implementation) to 5 (full TQL implementation). Levels 1, 3, and 5 provide detailed descriptions of degree of implementation to aid the ESC members in responding to the survey. The results of the TQIS will provide information on the level of TQL implementation in each of the eight areas mentioned above, and the results combined with discussions among the CO and other ESC members will orient them and help identify priority areas for improvement.

For more information about the TQIS, please contact:

**Dr. Paul DeYoung  
NPRDC  
DSN 553-7951 or (619) 553-7951**



## **Performance Assessment and Results - 4 (PAR-4)**

The Department of the Navy TQL Office has developed a software package to assist Navy and Marine commands in deploying many of the methods and ideas taught in the DoN TQL courses.

The Performance Assessment and Results - 4 (PAR4) software is designed to provide a variety of tools which can be used to assess and improve an organization's performance. "Performance" might mean:

- the organization's ability to accomplish its purpose or mission.
- how well the organization meets customer needs.
- the people that make up the organization and how their efforts contribute to effective organizational performance.

Performance is comprised of a wide range of facets, all of which contribute to an organization's mission readiness, the bottom line.

The PAR4 software consists of four modules:

### **Performance Measures**

This module can be used to define and track important factors that comprise the organization's performance. The factors a command may choose to define and measure may relate directly to the goals defined in their strategic plan, or they may be in line with the Government Performance and Results Act's reporting criteria. These measures can be used on a smaller scale to look at departmental goals and objectives.

### **Measures Of Customer Satisfaction**

Used to find out whether customer needs are being met. Customers can tell an organization how it is doing, whether it's headed in the right direction, or where it might have some opportunities to improve. If used periodically, a command can track what is important to the customer and its performance over time.

### **Organizational Self-Assessment**

This can be used to find out what organizational members think about its performance, leadership, and which tools and processes should be in place. The information can also be scored in relation to the 1996 President's Award criteria.

### **Summary Of Results**

Results from the other three modules are presented together so a command can look at the status of its extended system. This information can help focus attention on a previously unidentified significant process.

The modules can be used as "stand-alone," or in concert to provide you with many views of your organization's performance. The surveys can be used "as-is" or edited to suit your individual command's needs. Whether you want to conduct a climate

survey focused on a particular area of concern, or tie process measures to organizational goals, the software will guide you through the process.

This software is available to DoN personnel, at no charge from:

**TQLO World Wide Web page: <http://www.tql-navy.org>**

You can fax questions to the TQLO at (202) 685-6853 (DSN 325) or send e-mail to: [tqlo@hq.navy.mil](mailto:tqlo@hq.navy.mil) if you need more information.

## **External Assessment Methods**

There are a number of methods for collecting information about the external environment (environmental scans, customer and supplier surveys, market surveys, etc.). This section will focus on the customer as an important source of external information for an organization. Customers can tell an organization how it's doing, whether it's headed in the right direction, and where it might have some opportunities to improve. A consistent data collection/feedback process which captures this type of data may have to be developed if one does not exist.

- **Focus groups**

A focus group is an interview conducted with a group of individuals. This type of interview is used when it is believed that a discussion among individuals will be more productive and generate more ideas than an interview of one individual. Focus groups are usually formal sessions conducted by trained interviewers. Audio and/or video recordings are often made of such interviews so that extensive analyses of the content can be made later. Group interviews typically last about two to three hours as the skilled interviewer draws out each member. Focus groups can provide a wealth of information about an organization. However, these groups do require a skilled interviewer and a thorough content analysis in order to draw valid conclusions.

- **Customer panels or boards**

Some organizations have instituted a panel or board of customers which meets on a similar schedule as a board of directors. Members are usually selected to represent a certain group of customers and serve for a year or more. Members are on staggered terms to ensure continuity and may be offered an honorarium and a per diem. The panel typically meets for a full day and serves as a sounding board for management ideas, service ideas, etc.

- **Interviews**

Interviews were discussed previously as an example of an internal assessment method. Similar advantages and disadvantages apply to interviewing customers. It is essential to use a skilled interviewer who not only can follow a structured interview, but who can also allow customers plenty of opportunities to express themselves.

- **Surveys**

The advantages and disadvantages of surveys were discussed previously in the section concerning internal assessments. Considerations in choosing assessment methods were also discussed. All of the same considerations apply to customer surveys and will not be repeated here.

## **The Role of the ESC in Assessments**

The involvement of top leaders is needed in all phases of assessment, from planning, administration, analysis, feedback, to the action planning stages. As with other TQL activities, **the organizational assessment process is not something to be delegated to lower levels, or to staff personnel.** The involvement of top leaders is essential. The top leaders have the responsibility for conducting an assessment of the organization. As such, the ESC needs to meet to understand:

- Their role in the assessment process.
- The importance of data-based decisions.
- The data that an organizational assessment provides.
- The reasons why an assessment should be conducted.
- When an assessment should be performed.
- How to feed back information.
- The actions that should be taken and why.

The ESC must be educated about the entire assessment process through working sessions. For example, the TQL coordinator may want to lead discussions on the implications of conducting a survey and the level of commitment necessary from the top. They should be made aware of the expenses, in terms of cost and time; the potential benefits, in terms of information to aid in organizational change; and the potential pitfalls that may occur.

## **The Role of the TQL Coordinator in Assessment**

The TQL coordinator plays an important role in the organizational assessment. Although the TQL coordinator does not have the power to change the system, the TQL coordinator advises and assists top leaders in the transformation. Part of that responsibility is to help leaders plan and conduct assessments.

One role of the TQL coordinator is to help the leaders identify who in the organization will administer the assessment, and aid in general data collection and analysis activities. The TQL coordinator has the responsibility of overseeing the survey administration and analysis process. When the survey needs to be modified for the organization or when technical advice is needed, it may be necessary to bring in an expert on survey development or administration. Whether to bring in an outside expert, find one internally, or go with a survey that has instructions on self-administration and interpretation, is a decision that has to be made by the ESC. The ESC may need an expert to advise on sampling techniques, data analysis, customized items, interpretation, etc. Many of these decisions depend on the organization's resources and the complexity of the issues the organization faces.

**Once the data are collected and analyzed, the senior leader takes center stage,** and plays a prominent role in interpreting the results, feeding back the information to the organization, and planning for change.

## **The Role of Individuals Being Assessed**

To this point, the role of the ESC and the TQL coordinator in the survey process have been reviewed. But, some of the most important players in the whole process are the individuals who are being assessed! Whether they are personnel in the organization, external customers, or stakeholders, they play an important role. They are the ones that the top leaders will be listening to. Managers and workers have knowledge about the systems, processes, and how work gets done, and are aware of the organizations' strengths and weaknesses. The individuals who make up the organization will be instrumental in changing it! By listening to the people, and by respecting what they have to say, top leadership builds support for organizational change through the application of TQL methods. Customers and stakeholders have knowledge about the quality characteristics they desire. Customers should be asked about their perceptions of quality, and stakeholders about their requirements. Making hunches about customer needs will not help provide information about the degree to which external customers are satisfied.

## **Avoiding Potential Pitfalls in Organizational Assessment**

**Assessments should only be conducted when leadership is committed to maintaining respondent confidentiality, giving feedback to those who participate in the assessment, and making organizational changes, based on the results of the assessment.** These changes should be consistent with the long-range strategic direction of the organization. The ESC and the TQL coordinator should:

- **Maintain confidentiality**

Whenever an assessment is conducted, confidentiality of individual responses must be maintained. Respondents should not have to identify themselves by name. In that manner, individual responses will be confidential. People are sharing their perceptions, and must be assured that results will be reported but not their names; **no individual can be identified.**

- **Feed results back to the organization**

Give feedback of the results to the whole population. The survey was conducted with a select group of individuals to gain information about the whole organization. If the interviewees represented the population of that command, then the results should be shared with all concerned, not just the few.

- **Take action based on results**

When leaders decide to do an assessment, they send a message to employees. The message is: "We're interested in you and your opinions." Employee expectations are raised. They believe that someone is listening, and that something will be done to make things better. If the results are covered up, or nothing happens, they will become cynical. If the ESC does not plan on responding to the survey, or taking action, they should not conduct the survey in the first place.

- **Use the data for planning purposes**

The ESC should not take immediate actions based on the data. They should use the data for planning purposes, and let organizational members know how the data will be used. The key to the usefulness of the assessment information is the degree to which its use is coordinated with the mission and strategic goals of the organization.

# **Lesson 7**

## **Organizational Assessment**

### **Summary**

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- **Assessments provide data for planned organizational change.**
- **Once a baseline is established, future assessments measure progress and target areas for improvement.**
- **Data from surveys of the internal and external environment, including customer feedback, may be used as input for planning.**
- **The DoD / DoN have surveys designed to assist commands in implementing TQL.**